

**STATEMENT OF
COMMISSIONER MEREDITH A. BAKER**

Re: *A National Broadband Plan for Our Future*, GN Docket No. 09-51

I would like to add my heartfelt thanks to Blair, Erik, Carlos, Phoebe and the entire team, and your spouses and families, for all of your efforts. Having overseen the 2008 *Networked Nation* Report at NTIA, which looked at the policies and status of competition of broadband, on some scale, I know the difficulty you faced collecting and analyzing these data. I hope your turn at public service has encouraged and inspired you, the way you have us. You have accomplished a tremendous amount in your time here, and I hope that many of the innovative ways you have gone about your task, such as incorporating new media technologies and fostering broader participation, will become standard procedures here at the Commission. My thanks as well to the career FCC staff whose support made this process more coherent and relevant. While there are places where I would have made different recommendations and suggestions, nothing I might say should be seen to diminish my recognition and gratitude to each of you for your efforts. Thank you all very much for your hard and dedicated work.

Turning to the issues at hand, I think it is important to acknowledge the separate tasks we are here to accomplish this morning: first to receive the National Broadband Plan; and second to support a joint statement on the importance of broadband to our nation. In so doing, we initiate a process to increase the availability and adoption of broadband across the country. Indeed, I expect that efforts to promote broadband deployment and adoption will be central to the Commission's work for years to come. I look forward to working constructively and cooperatively with the Chairman and his team as we address these issues. I feel it is particularly important that the Commission focus on some key aspects of the Plan that warrant prompt government attention: the adoption of a comprehensive spectrum plan, long-overdue universal service reform, the deployment of a national interoperable broadband network for public safety, and other policy challenges.

Broadband is a Private Sector and Regulatory Success Story.

The evidentiary record of the Plan demonstrates that widespread broadband availability from a variety of platforms has become a reality for most Americans. 95 percent of Americans, or 290 million people, have terrestrial broadband access—a remarkable achievement in a country as large and diverse as ours. Broadband competition is healthy and vibrant. The Plan finds that over 80 percent of households have access to more than one broadband provider today providing service over 4 Mbps. Tens of millions more have access to competing mobile broadband providers.

With respect to adoption, ten years ago, only 6.8 million Americans subscribed to terrestrial broadband services. In difficult economic times—approximately two-thirds of Americans now subscribe to a roughly \$40 per month service.

Under a light-touch targeted regulatory regime in both the Clinton and Bush Administrations, we have gone from a narrowband dial-up world to a multi-platform broadband world by crafting a regulatory framework that promotes facilities-based competition in lieu of prescriptive government requirements. We have worked

constructively in a bipartisan fashion to eliminate economic and regulatory barriers to infrastructure investment and broadband deployment. Private industry from every communication platform has responded to this consistent framework with substantial network investment and deployment to the great benefit of consumers.

To reach the rest of America, and to promote more widespread adoption, the Broadband Plan suggests an aggressive and full agenda for the Commission for 2010 and beyond.

As I have said since I arrived here at the FCC, one area for prompt government action is spectrum policy. As 4G solutions begin to be deployed, the promise of additional intermodal broadband competition and more innovative new usage are right around the corner. However, the success of state-of-the-art mobile broadband depends on our ability to align our spectrum policies correctly with the changing needs of consumers and industry.

Other nations have already begun this process. With its digital dividend well in sight, Europe seeks to make up to 200 megahertz available for mobile broadband. Germany is on the verge of auctioning 340 megahertz of additional spectrum in four prime bands. In Asia, Japan is reportedly planning to make spectrum blocks totaling 500 megahertz available for 4G deployments. The U.S. must act similarly to lay the foundation for the next generation of mobile innovation, machine-to-machine communications, mobile health and a meaningful alternative to fixed broadband.

I salute the team for identifying the need for a more comprehensive long-term approach to spectrum management. The United States needs a spectrum plan that expands upon proven flexible, market-oriented policies to facilitate spectrum access, wireless innovation and competition. As we move forward, I hope our policy will be guided by three overarching objectives: facilitating efficient use of spectrum, identifying and re-allocating additional spectrum to meet the current and future demands of wireless consumers, and encouraging investment and innovation in wireless networks and technologies.

I believe the Broadband Plan's recommendations on spectrum point in the right direction. We need more transparent spectrum allocations and the database that will lower transaction costs for secondary market transactions and improve planning for existing providers and new entrants alike. And, I'm looking forward to working with the dashboard.

The Plan also seeks to repurpose existing spectrum to keep pace with the evolution of mobile broadband technologies while we look for additional spectrum for reallocation to ensure its continuing success. We should do this in the context of a more holistic approach to spectrum management that takes into consideration both federal and non-federal spectrum as well as increased international harmonization. Decades-old service-specific and technology-specific allocations have splintered our spectrum and threaten the pace of innovation. But we should not stop at updating these rules; we must also support enabling more innovative use of spectrum, including dynamic spectrum access, smart antennas and more efficient receivers.

As we proceed, we must take care to ensure that we treat existing licensees equitably. We should provide both existing and new license holders with as much latitude as possible to design and deploy state-of-the-art, efficient networks and develop service

offerings to appeal to U.S. consumers. I would strongly oppose any efforts to dictate business plans or service offerings through regulatory mandate or inflexible allocations or service rules.

Spectrum policy is also not just about competition and deployment, it is about adoption too. The team's findings indicate that mobile broadband has become a broadband entry point for many minority and other underrepresented communities and may be a workable solution for Internet access in remote areas. For all these reasons, I look forward to working closely with the Chairman and my fellow Commissioners on spectrum issues and would invite other parts of the government, including Congress and stakeholders, to join forces in a collaborative effort to enable the U.S. to remain a global leader in mobile broadband.

I also support the team's efforts to move toward comprehensive Universal Service Fund and intercarrier compensation reform, targeted to broadband investment. It is necessary to evolve our support mechanisms into an era in which all Americans have the opportunity to benefit from broadband. We must transition in a considered way to an explicit support mechanism that will ensure accountability, efficiency, and adequate funding in areas where market forces are not sufficient to drive broadband services to America's consumers. But we must also be mindful that the nearly \$9 billion Fund is not without limits. Consumers pay for this. The universal service contribution factor for next quarter will be the largest ever—15.3 percent. This is real money from real people. Our efforts to modernize the Universal Service Fund should not become an excuse to further grow the overall size of the Fund. It is our obligation to ensure that money is spent wisely to achieve the goals set out by Congress—but without distorting the market or breaking the bank. The Plan gives us helpful recommendations to begin this process.

I also believe the Broadband Plan's focus on public safety is well-placed and long overdue. The need for interoperability was highlighted in the 9-11 Report and devastatingly illustrated in the aftermath of Hurricanes Katrina and Rita. The Plan offers constructive suggestions that can enable us to move forward in a timely and comprehensive manner, which our nation's first responders deserve. I think nationwide public safety interoperability should be a top priority for this Commission and I look forward to helping to achieve it.

I should also note that much of the Plan is dedicated to ensuring broadband connectivity to serve a number of statutorily enumerated national purposes from education and health care, to energy policy. In each of these critical areas, broadband can be a great enabling technology and I am hopeful that the Plan's thoughtful efforts will prove valuable to those agencies and stakeholders seeking to work with the FCC to harness the power of broadband for the betterment of our nation and consumers.

We Should Seek a Consensus-Based Broadband Policy.

As we consider the Plan's recommendations in detail, our broadband policy should be focused on those efforts directly tied to promoting adoption, deployment, and facilities-based competition. We should build upon the strong regulatory foundation that we have before us, harnessing private investment, encouraging entrepreneurs and inventors to drive better broadband to more people, whoever they are and wherever they live. Importantly, this is not the time to throw away the playbook and start fresh. We have

the opportunity for incremental and targeted steps to drive broadband deployment to the 7 million unreached households identified in the Plan and to take tangible and concrete actions to promote digital inclusion and literacy.

We should, therefore, avoid re-opening settled regulatory battles or changing our market-based regulatory framework mid-course in a manner that could chill the private investment we so desperately need in our broadband infrastructure. Specifically, we need to resist efforts to adopt rules in the Network Neutrality proceeding that would dictate how networks are managed and operated. We should reject calls to revert to monopoly-era Title II regulation for broadband services that ignore the track record of success under Title I, and rebuff fiber unbundling and copper retirement proposals that seem to selectively forget our long and checkered history with government-manufactured competition.

We must also be pragmatic that the Federal Government does not have unlimited resources to support even the most worthwhile efforts. Significant projects like NCTA's A+ adoption program, the Silicon Valley-backed Invest in America Alliance funding of next generation technology and jobs, and One Economy's outreach efforts are reflective of the type of private and philanthropic efforts we should encourage and foster. I look forward to working closely with these and other groups as we reach out together to make certain that all urban, rural, and tribal communities have access to broadband in the years to come.

We should similarly be careful to avoid prescribing government-imposed answers to questions best left to the market as consumers and companies shift towards a broadband-enabled and digital world. Questions about the Future of Media and journalism are best left primarily to newspapers, websites, TV and radio stations and new entrepreneurs. Questions about how we will watch television tomorrow are best left primarily to consumer electronics manufacturers, device innovators, pay TV providers, content providers, and viewers. Government should not be in the business of mandating technologies or picking technology winners.

Lastly, the Internet will continue to evolve and develop in the next decade in a manner that we simply cannot forecast, to bring untold opportunity and benefits to consumers. Because our actions will undoubtedly not keep pace with network, device, and application advancements, we must act judiciously in maintaining a regulatory framework that is dynamic and avoids one-size-fits-all approaches to broadband. Each household and community will have different broadband needs and demands, and these demands will change over time. Consumers will want different speeds, different price points, different features, and different quality of service guarantees. No particular technology or service offering should be designated as the government's desired approach. The same flexible approach is warranted to address broadband adoption. There is no single reason why some consumers choose not to adopt broadband. We should establish dynamic and evolving approaches to addressing the affordability, relevancy, and literacy adoption hurdles facing a third of Americans today.

I want to again thank the OBI team for your dedication, professionalism, and your thoughtful recommendations. I look forward to working with the Chairman and my colleagues in our consideration of your recommendations. Congratulations.